ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	
Amendment of the Commission's Regulatory Policies to Allow Non-U.S.-Licensed Space Stations to Provide Domestic and International Satellite Service in the United States	IB Docket No. 96-111
and	
Amendment of Section 25.131 of the Commission's Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations	CC Docket No. 93-23 RM-7931
and	
COMMUNICATIONS SATELLITE CORPORATION Request for Waiver of Section 25.131(j)(1) of the Commission's Rules As It Applies to Services Provided via the Intelsat K Satellite	File No. ISP-92-007

COMMENTS OF AT&T CORP.

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SUMMARY

AT&T strongly supports the Commission's proposal to allow "non-U.S.-licensed satellite systems . . . to provide satellite services to, from, or within the United States to the extent that foreign markets allow effective competitive opportunities for U.S. satellite systems to provide analogous services." Notice ¶ 1. As the Commission correctly observes, "[f]air, vigorous competition among multiple providers leads to lower prices, better service, and more innovative service offerings for satellite communications users in the United States" -- whether such competition comes from U.S.-licensed satellites or systems licensed outside the United States Notice ¶¶ 8-9. At the same time, unrestricted access to non-U.S. satellite systems could adversely affect competition in the United States. Thus, the Commission's proposal to allow non-U.S. satellites to serve the United States based on competitive and regulatory parity, as determined by an ECO-Sat test, is critical to ensure that satellite competition in the United States will be enhanced rather than detrimentally affected.

As shown in Part I.A, the Commission should adopt its two-prong ECO-Sat test to determine whether U.S. systems face *de jure* or *de facto* barriers to entry in: (1) the "home market" of the non-U.S. satellite, and (2) the various "route markets" to which service from a U.S. earth station is proposed. By contrast, the Commission should not adopt its alternative "critical mass" analysis, because by

examining only a portion of the markets served to decide the entry question, this test provides no assurance whatsoever that the Commission would not in fact be allowing service by non-U.S. providers to markets closed to U.S. operators, with all of its attendant anticompetitive effects on U.S. satellite operators.

As shown in Part I.B, although AT&T supports the Commission's proposal to use the U.S. earth station licensing process to implement the ECO-Sat test, the Commission could ease the burden on U.S. earth station operators by allowing the non-U.S. satellite operator to supply directly to the FCC the ECO-Sat compliance information for services it wishes to provide via its satellite within the U.S. or between the U.S. and other countries. Allowing the non-U.S. satellite operator to make such an ECO-Sat showing, in the earth station licensing process, rather than requiring each individual U.S. earth station with which the non-U.S. satellite would interface to do so, would enhance efficiency and enable routine licensing of additional U.S. earth stations to operate with the non-U.S. satellite, in the same way as they do with U.S.-licensed systems, once the ECO-Sat showing has been made. The public notice used in the earth station licensing process should be expanded to ensure adequate opportunity for review and comment on the issue of compliance with the ECO-Sat test.

The Commission should specify that the applicant seeking to access a non-U.S. satellite has the burden of showing that no *de jure or de facto* entry barriers exist in the relevant markets. It is appropriate for the Commission to hold that if U.S. satellite systems seeking to provide a service analogous to that which the non-U.S. satellite proposes to provide to, from, or within the United States face either *de jure* or *de facto* entry barriers in the would-be entrant's home or route markets, including a competitive advantage bestowed on the satellite system licensed by the foreign country through government regulatory policies, then U.S. satellite systems do not have an effective opportunity to compete and, absent compelling public interest reasons, permission for the non-U.S. satellite to serve the U.S. market should be denied. Notice ¶¶ 38, 41.

Part I.C shows that, in addition to the ECO-Sat test, it is appropriate for the Commission to consider other factors that bear on whether the application is in the public interest, convenience and necessity, including the general impact of the proposed entry on competition in the U.S. and global markets. The Commission should further adopt its proposal to require all non-U.S.-licensed satellite operators seeking to provide international or domestic service in the U.S. market to meet the technical requirements in Part 25 of the FCC's rules and implementing orders applicable to U.S. satellite licensees, so as to

reduce inter-satellite interference and maximize orbital and spectral efficiency.

Part II shows that the Commission should not permit intergovernmental organizations ("IGOs"), such as COMSAT using INTELSAT or INMARSAT capacity, to serve the U.S. domestic market on a primary basis until substantial structural reform of these organizations takes place, because their participation in that market would be detrimental to fair competition. At the same time, it is appropriate to treat an IGO subsidiary or affiliate like any other non-U.S. system that seeks access to the U.S. market with public interest factors -- most importantly, the affiliate's independence from the IGO and its signatories -- playing a highly significant role.

Part III demonstrates that in order to implement the ECO-Sat test the Commission should continue to require a license for the use of receive-only earth stations to receive signals from non-U.S.-licensed FSS satellites, including INTELSAT. However, as the Commission recognizes, to eliminate unnecessary regulation and speed processing, it would be appropriate "to allow anyone wishing to operate a receive-only earth station with . . . a non-U.S. satellite to request blanket authority to operate multiple technically identical receive-only earth stations in a particular service." Notice ¶ 80.

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COMMENTS OF AT&T CORP.

Pursuant to the Commission's Notice of Proposed Rulemaking, FCC 96-210, released May 14, 1996 in the above-captioned dockets ("Notice"), AT&T Corp. ("AT&T") submits these comments on the Commission's proposal to establish a uniform framework for evaluating applications by users in the United States for authority to access satellites licensed by other countries. AT&T strongly supports the Commission's proposal to allow "non-U.S.-licensed satellite

systems . . . to provide satellite services to, from, or within the United States to the extent that foreign markets allow effective competitive opportunities for U.S. satellite systems to provide analogous services." Notice ¶ 1.

INTRODUCTION

In implementing its non-U.S. satellite entry policy, the Commission proposes to permit these satellites access to the U.S. market by licensing earth stations located in the United States to operate with non-U.S. satellite systems. Under the "effective competitive opportunities for satellites" or so-called "ECO-Sat" test, the Commission proposes to examine the "home market" of the non-U.S. satellite plus various "route markets" to which service from a U.S. earth station is proposed. In each market, the Commission would determine whether any *de jure* or *de facto* barriers to entry exist for U.S. satellite systems that seek to provide a service analogous to that which the non-U.S. satellite proposes to provide to, from, or within the United States.

After the ECO-Sat determination has been made, the Commission will consider public interest factors that warrant prohibiting or allowing the non-U.S. satellite system to serve the U.S. market. The Commission also proposes to require all non-U.S. satellite systems serving the United States to comply with the technical and reporting requirements applicable to U.S. satellite systems, to

prevent interference to U.S. satellites and to facilitate spectrum management in the United States. Notice ¶ 2.

As the Commission notes, its current proposal is the logical outgrowth of its recent decision in the Foreign Carrier Entry Order to allow foreign carriers to provide international common carrier services in the United States, if effective opportunities exist for U.S. carriers in the destination markets of dominant foreign carriers seeking to enter the U.S. market.[1] The Commission's proposal is also consistent with its recent DISCO I ruling, which allowed all U.S.-licensed private satellite systems to provide domestic service, international service, or both, according to the licensee's business judgment and ability to obtain any necessary approvals in the foreign countries it wishes to serve. According to the Commission, the DISCO I policy, which applies to fixed satellite service ("FSS"), as well as mobile satellite service ("MSS") and direct broadcast satellite service ("DBS"), will permit U.S. satellites to participate in a global economy without artificial and unnecessary U.S. regulatory constraints.[2] Notice ¶¶ 3-4.

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[1] See Market Entry and Regulation of Foreign-Affiliated Entities, 11 FCC Rcd. 3873 (1995) ("Foreign Carrier Entry Order").

[2] See Amendment to the Commission's Regulatory Policies Governing Domestic Fixed Satellites and Separate International Satellite Systems, 11 FCC Rcd. 2429 (1996) ("DISCO I" or "DISCO I Order"). DISCO is an acronym for Domestic International Satellite Consolidation Order.

I. THE COMMISSION SHOULD ADOPT ITS PROPOSAL TO ALLOW NON-U.S.-LICENSED SATELLITE SYSTEMS TO SERVE U.S. MARKETS BASED ON AN ECO-SAT DETERMINATION AND COMPLIANCE WITH U.S. STANDARDS OF TECHNICAL OPERATION.

As the Commission correctly observes, "[f]air, vigorous competition among multiple providers leads to lower prices, better service, and more innovative service offerings for satellite communications users in the United States" -- whether such competition comes from U.S.-licensed satellites or systems licensed outside the United States. Notice ¶¶ 8-9. At the same time, unrestricted access to non-U.S. satellite systems could adversely affect competition in the United States. This would occur, for example, if the non-U.S. satellite were able to provide service on international routes that cannot be served by a U.S. satellite, because then the non-U.S. satellite would have a competitive advantage over its U.S. counterparts on all routes, as it would be able to offer its customers a broader range of communications capabilities.[3] Notice ¶ 11. Thus, the Commission's proposal to allow non-U.S. satellites to serve the United States based on competitive and regulatory parity is critical to ensure that satellite

[3] As the Commission also points out, if it were to allow domestic and international service from a non-U.S. satellite whose home market allows international but not domestic service over U.S. satellites, then the non-U.S. operator will be permitted to offer domestic service in both countries plus international service between the countries, while the U.S. operator could only offer two of these three service segments. Notice ¶ 11.

competition in the United States will be enhanced rather than detrimentally affected. For this same reason, it is appropriate to subject to the ECO-Sat test all non-U.S.-licensed satellites, including those substantially owned by U.S. investors. Notice ¶ 19.

A. The Commission Should Adopt a Two-Prong ECO-Sat Test.

Because each satellite is coordinated by a single country with the International Telecommunication Union ("ITU"), it is appropriate for the Commission to inquire whether there are effective competitive opportunities for U.S. satellites in the coordinating administration's "home market." Notice ¶ 22. As the Commission points out, treating the coordinating administration as the home market is appropriate because: (i) it is likely to be within the footprint of the satellite, which becomes relevant in determining whether there would be any unfair competitive advantage if, because of orbital location, U.S. satellites could not "see" the foreign country; (ii) the licensing administration typically has the most direct economic ties and thus stands to benefit the most if the non-U.S. satellite in question were permitted to serve the U.S. market; and (iii) the licensing administration will be of utmost importance in coordinating the satellite internationally. Notice ¶¶ 23-25.

At the same time, it is equally important for the Commission to inquire into the openness of all of a non-U.S. satellite's "route markets" -- those in which a transmission

originates or terminates -- that the non-U.S. satellite proposes to serve from the U.S. earth stations that the Commission is asked to license. Otherwise, satellite operators from relatively closed markets would seek to have their satellite licensed by an "administration of convenience," i.e., an administration with which the operator has few other connections but which is more open to competition than the administration with which the satellite would otherwise have more natural ties. Moreover, reliance on solely a "home market" approach to an ECO-Sat determination would not reflect the inherently regional nature of satellite communications. Notice ¶¶ 26-27.

By contrast, the Commission should not adopt its proposed one-step alternative "critical mass" analysis. Under this approach, the Commission would look at a much larger group of markets to decide the entry question, but then impose no restriction on the markets the U.S. earth station may serve over the non-U.S. satellite. Although under this approach the Commission would require some "critical mass" of relevant countries to permit competition before the non-U.S. satellite would be permitted to serve the U.S. market (Notice ¶ 31), at bottom, this test provides no assurance whatsoever that the Commission would not in fact be allowing service to closed markets. For example, assuming 60% (a hypothetical "critical mass") of the markets served by the non-U.S. satellite pass the ECO-Sat test, the foreign satellite would be allowed to provide U.S. service

to 100% of the markets otherwise served by that satellite -- despite the fact that 40% of its route markets are closed.[4]

In applying the ECO-Sat test, the Commission proposes to focus on the specific service that the non-U.S. system seeks to provide to, from or within the United States and determine whether U.S. satellite systems would be permitted to provide the same type of service to, from, or within the foreign country. For these purposes the Commission proposes to use the following service categories: Direct-to-Home ("DTH"), including DBS; FSS and MSS. Notice ¶ 34. This service-by-service approach will serve the public interest, as it would promote fair competition in each submarket for satellite services, and would tend to expand competition in the United States as soon as other countries open the corresponding segment of their markets. Notice ¶ 36. Because the Commission now regulates U.S.-licensed satellites without regard to whether the service is international or domestic, it is appropriate that, to satisfy the ECO-Sat test, both types of service should be open to U.S. operators. Notice ¶ 35.

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[4] Moreover, a critical mass test could be difficult to implement because merely examining a percentage of the markets served by a satellite would not reflect the considerable variation in minutes or revenues associated with some markets as compared to others.

B. The Commission Should Use The Earth Station Licensing Process To Implement The ECO-Sat Test.

In determining whether *de jure* or legal constraints limit or preclude U.S. satellites from providing service in a foreign market, the Commission proposes to place the burden of proof exclusively on the U.S. earth station operator to demonstrate that none of the countries it intends to serve from the U.S. maintain legal barriers to entry.[5] Notice ¶ 39. While AT&T has no overall objection to this approach, it believes that the Commission could ease the burden on U.S. earth station operators by allowing the non-U.S. satellite operator to supply directly to the FCC, in the context of the earth station licensing process, the ECO-Sat compliance information for services it wishes to provide via its satellite within the U.S. or between the U.S. and other countries. Grant of the earth station application would establish that a particular non-U.S.-licensed satellite has met the ECO-Sat test to provide certain types of services within, to, or from the U.S. on specified routes. Through the earth station application, the non-U.S. satellite operator would formally notify the FCC of the technical attributes of the spacecraft to facilitate interference analysis by U.S. satellite

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[5] Because non-U.S. satellite systems would not need to obtain a Title III FCC radio license, non-U.S. satellite systems, regardless of the level of foreign investment, could obtain access to the U.S. market by obtaining access via a U.S.-licensed earth station. Notice ¶ 59.

operators. The earth station application could also be the vehicle that the foreign operator would use to certify that, for service provided within the U.S. or between the U.S. and foreign countries, the operator will comply with the FCC's Part 25 rules. Finally, through the earth station application, either the U.S. earth station applicant or the non-U.S. satellite operator would describe how, in its view, the non-U.S. satellite's "home" and "route" markets provide equivalent competitive access to their markets.

Allowing the non-U.S. satellite operator to make such an ECO-Sat showing, in support of the earth station licensing process, rather than requiring each individual U.S. earth station with which the non-U.S. satellite would interface to do so, would enhance efficiency for several reasons. First, the non-U.S. satellite operator is likely to have superior access to the information necessary to make the ECO-Sat showing. Second, it would avoid the need for multiple earth station operators to make the ECO-Sat showing for the routes and services in question. Third, it would enable routine licensing of additional U.S. earth stations to operate with the non-U.S. satellite, in the same way as they do with U.S.-licensed systems, once the ECO-Sat showing has been made.

AT&T believes that the earth station licensing process should ensure adequate opportunity for review and comment on the issue of compliance with the ECO-Sat test. At present, public notices provide only a minimal amount of

information about each earth station application. Accordingly, the public notices should be improved to clearly identify earth station applications which seek access to a non-U.S. satellite.

The Commission should not adopt its proposal (Notice ¶¶ 16-17, 51) to consider non-U.S.-licensed satellites in a processing round contemporaneously with U.S. satellite applications or allocate frequency spectrum to non-U.S.-licensed systems. The purpose of a processing round is to determine which applicants will be granted U.S. satellite system licenses and to make orbital and spectrum assignments to those granted licenses by the Commission. Because, by definition, non-U.S.-licensed satellites would not be seeking an FCC license, there is no reason for them to participate in a processing round before the Commission. AT&T recognizes that the Commission is trying to achieve equality between U.S.-licensed systems and non-U.S.-licensed systems seeking to serve the U.S. market. While this is certainly appropriate, the FCC should not be assigning orbital slots or spectrum to non-U.S.-licensed satellites. Rather, these are matters for the foreign administration to handle through the ITU registration and coordination process.

In terms of determining whether *de facto* barriers to entry exist, the Commission correctly surmises that it would be relevant to inquire into the existence of a fair and transparent regulatory framework for satellite services

in the foreign country; the extent of separation between the foreign regulator and any incumbent non-U.S. satellite system; the extent of separation safeguards to eliminate any competitive advantages that might be conferred by government ownership or subsidization of the non-U.S. satellite system; and the practical ability of a U.S. operator to use any dedicated earth stations associated with a particular non-U.S. system. In addition, however, the Commission should also inquire whether there is a nondiscriminatory interconnection scheme in the relevant foreign markets to allow U.S. operators to interconnect to the public switched network. Also, as the Commission notes, inquiring into content restrictions may also be relevant for some services, as they can constitute entry barriers. Notice ¶ 41. Contrary to its proposal (Notice ¶ 42), the Commission should place the burden of proof on the U.S. earth station operator to demonstrate the absence of *de facto* barriers to entry. *De facto* entry barriers can be as preclusive to U.S. satellite operators seeking to serve a foreign market as *de jure* ones, and the U.S. earth station applicant (along with information provided by the non-U.S. satellite operator during the earth station licensing process) is in the best position to comment on the absence of the types of possible *de facto* barriers enumerated above.

It is appropriate for the Commission to hold that if U.S. satellite systems face either *de jure* or *de facto* entry barriers for analogous services in either the home or

route markets, including a competitive advantage bestowed on the satellite system licensed by the foreign country through government regulatory policies, then U.S. satellite systems do not have an effective opportunity to compete and, absent compelling public interest reasons, permission for the non-U.S. satellite to serve the U.S. market should be denied. Notice ¶¶ 38, 41.

Requiring all U.S.-licensed satellite operators to inform the Commission in writing of all foreign destinations where they are permitted to provide service annually and whenever an operator obtains access to an additional foreign market will enable the FCC International Bureau to compile and release this information in aggregate form. This will assist in determining whether effective competitive opportunities exist or continue to exist in particular foreign markets. Notice ¶ 39. Moreover, such annual reporting is identical to the frequency of circuit status reports that U.S. facilities-based carriers are currently required to provide to the Commission, and such a requirement would impose no undue administrative burden.[6]

C. The Commission Should Consider Additional Public Interest Factors, As Well As Other Technical and Legal Requirements.

In addition to the ECO-Sat test, it is appropriate for the Commission to consider other factors that bear on

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[6] Rules for the Filing of International Circuit Status Reports, 10 FCC Rcd. 8605 (1995).

whether the application is in the public interest, convenience and necessity under Section 303(r) of the Communications Act, including the general impact of the proposed entry on competition in the U.S. and global markets; and issues of national security, foreign policy and trade (with due deference to views of the Executive Branch).

The Commission should adopt its proposal to require all non-U.S. satellite operators seeking to provide international and domestic service in the U.S. market to meet the technical requirements in Part 25 of the Commission's rules and implementing orders applicable to U.S. satellite licensees, including power density limits, bandwidth limits, antenna pattern requirements, and limitations on the minimum size of earth station antennas for routine licensing (i.e., at least 4.1 meters in diameter for C-band antennas and 1.2 meters for Ku-band antennas). These rules are needed to implement the Commission's two-degree spacing policy and to: (i) reduce interference between satellites (as well as terrestrial C-band microwave systems), and (ii) maximize orbital and spectral efficiency and thus avoid higher costs that would result from less available capacity. Notice ¶¶ 52-56. All satellite systems providing service to the same coverage area, such as the United States, have the potential for interference between themselves (adjacent satellite interference). These satellite systems, therefore, must conform to similar

technical requirements and spectrum sharing procedures to minimize the likelihood of adjacent satellite interference.

II. THE COMMISSION SHOULD NOT PERMIT INTERGOVERNMENTAL ORGANIZATIONS ("IGOS") TO SERVE THE U.S. DOMESTIC MARKET UNTIL THESE ENTITIES HAVE BEEN SUBSTANTIALLY REFORMED.

COMSAT, a U.S. licensee and a worldwide provider, should not be permitted to participate in the U.S. domestic market using INTELSAT and INMARSAT capacity to any greater extent than it already does, until substantial structural reform of these organizations takes place. At present, both INTELSAT and INMARSAT are treaty organizations that enjoy a broad range of governmental privileges and immunities (such as freedom from taxation, legal process, and the antitrust laws). In addition, both INTELSAT and INMARSAT perform "consultation/notification" functions, through which they can deny permission for other satellite operators to compete with them in their primary international operations. Moreover, COMSAT is the only channel through which U.S. carriers can obtain access to INTELSAT and INMARSAT space segments, thus further reinforcing the substantial monopolies enjoyed by these entities in international satellite communications.[7]

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[7] Nonetheless, because there are still many nations that are connected to the United States only by satellite, and any policy that makes it more difficult to reach these points would unduly constrain limited service, AT&T supports the Commission's proposal to continue licensing U.S. carrier provision of international communications

(footnote continued on following page)

The Commission itself has recognized the impediment posed by these organizations to a worldwide competitive satellite market, and it has therefore recommended: "(1) privatizing INTELSAT and INMARSAT and eliminating the privileges, immunities and special access to spectrum and orbital slots currently enjoyed by those organizations; and (2) eliminating COMSAT's current exclusive status as the sole U.S. investor in, and provider of, INTELSAT and INMARSAT services . . . ."[8] Unless and until these reforms are accomplished, neither COMSAT/INTELSAT nor COMSAT/INMARSAT should be permitted to enter the U.S. domestic market on a primary basis, because their participation in that market would be detrimental to fair competition.[9]

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over the INTELSAT and INMARSAT systems without application of the ECO-Sat test. Notice ¶ 70. Moreover, the ECO-Sat test should not preclude any other non-U.S. multinational treaty-based organizations in competition with COMSAT/INTELSAT and INMARSAT (e.g., Intersputnik) from continuing to provide capacity to U.S. carriers for U.S. international services

[8] See M. B. Richards, Report of Special Counsel to the Commission on Reinventing Government, Creating a Federal Communications Commission for the Information Age, February 1, 1995, Summary of Bureau and Office Recommendations for 1995 Legislative Proposals, Appendix A, p. 2, Item 10. See also "U.S. Satellite Industry Joins Forces on INTELSAT/INMARSAT Privatization," Communications Daily, April 28, 1995, pp. 1-2.

[9] COMSAT would remain free to apply on a case-by-case basis for authority to provide incidental U.S. domestic services using INTELSAT or INMARSAT capacity. It would

(footnote continued on following page)

As the Commission recognizes, even then, INTELSAT and INMARSAT will pose special problems in that each of these organizations is governed by an Assembly of Parties or national governments. In particular, as of the date of the Notice, 136 national governments were members of INTELSAT and 78 were members of INMARSAT. Given these facts, the Commission has properly concluded that it would not be realistic to treat the United States and United Kingdom, which respectively are responsible for ITU coordination of these systems, as the "home market" for purposes of the ECO-Sat test.

AT&T believes that, once these organizations are reformed, the Commission should base U.S. domestic market access for these systems on the openness of all of the various route markets served by the intergovernmental organization. Notice ¶¶ 65-66 This approach is preferable to examining either the openness of the markets of the organization's various members or of two-thirds of the members of each organization (the necessary consensus level to amend the Agreement) (Notice ¶¶ 66-67), because it ensures broader access by U.S. satellite systems to foreign

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be appropriate, for example, to allow COMSAT to provide U.S. domestic aeronautical mobile satellite service ("AMSS") using INMARSAT space segment to aircraft on domestic segments of international flights. This would allow aircraft to avoid engaging in cumbersome hand-off procedures between AMSC and INMARSAT space segment.

markets and avoids the inherent shortcomings of any "critical mass" test that could allow access to the U.S. market by satellite systems serving closed markets. As part of the public interest analysis, the Commission should consider whether the IGO, in light of its intergovernmental status and global dominance, would be in a position to diminish effective competition in the United States. Notice ¶ 68.

At the same time, it is appropriate to treat an IGO subsidiary or affiliate like any other non-U.S. system that seeks access to the U.S. market, with public interest factors playing a highly significant role. Thus, the normal "home" and "route" market analyses of the ECO-Sat test could apply for each proposed service segment. And the affiliate's independence from the IGO and its signatories should be closely scrutinized as part of the public interest analysis. Transfer of space segment from an IGO to an affiliate should require the earth station operator to request a license modification to reflect the transfer. Notice ¶¶ 73-74.

III. IN ORDER TO IMPLEMENT THE ECO-SAT TEST THE COMMISSION SHOULD CONTINUE TO REQUIRE A LICENSE FOR THE USE OF RECEIVE-ONLY EARTH STATIONS TO RECEIVE SIGNALS FROM NON-U.S.-LICENSED FSS SATELLITES, INCLUDING INTELSAT.

The Commission correctly proposes to continue to require a license for the use of receive-only earth stations to receive signals from non-U.S.-licensed FSS satellites, including INTELSAT. Requiring an earth station license for

such communications is necessary for the Commission to be able to ensure that these radio communications are consistent with U.S. policy concerning competition and spectrum management. Notice ¶ 77.[10] However, as the Commission recognizes, to eliminate unnecessary regulation and speed processing, it would be appropriate "to allow anyone wishing to operate a receive-only earth station with . . . a non-U.S. satellite to request blanket authority to operate multiple technically identical receive-only earth stations in a particular service. Such a request might be made, for example, by a satellite operator, a user, an equipment manufacturer, or even an electronics retailer." Notice ¶ 80.

The Commission seeks comment on whether it should require receive-only earth stations that currently are permitted to operate with the INTELSAT K satellite and receive INTELNET I services from INTELSAT satellites without a license to obtain a license or to require any new provision of such service be subject to the licensing process, including an ECO-Sat analysis. Notice ¶ 79. Blanket licenses for these earth stations would be allowed. AT&T believes that, to avoid imposing regulatory schemes

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[10] At the same time, the Commission should adopt its proposal to eliminate the licensing requirement for receive-only earth stations operating with U.S.-licensed FSS satellite systems for the reception of signals from other countries, because the Commission can take technical issues into consideration when licensing the U.S. space station. Notice ¶ 78.

where the FCC has previously determined them to be unnecessary, the Commission should allow receive-only earth stations to be operated without licenses for currently permitted routine uses (i.e., with INTELSAT K and for INTELNET I services from INTELSAT satellites). Any expansion beyond that (e.g., using INTELSAT for primary U.S. domestic service) should trigger a licensing requirement and ECO-Sat analysis.